



U.S. Small Business Administration

South Carolina District Office
1835 Assembly St., # 1425
Columbia, SC 29201

February 12, 2009

«FirmName»
«FirmStreet»
«FirmAddress»

Dear 8(a) Participant,

Re: Proposed Mentor Protégé Agreement, between
«FirmName» 8(a) participant Protégé and
«Mentor» (mentor).

SBA acknowledges your request to enter into a SBA approved Mentor Protégé Agreement with «Mentor». The agreement is anticipated to be dated «MPADate». There is considerable preparation documentation you need to perform before SBA can consider approving the agreement.

After reviewing the attached information and discussing the SBA Mentor Protégé Program with your assigned Business Development Specialist, please prepare and submit the following documentation so that your request for SBA approval of your agreement can be processed:

Cover Letter to SBA requesting approval of the agreement, anticipated benefits to Protégé and explanation of any past or previous relationships between firms

Mentor Protégé Agreement (See attached comments) (we recommend the template at http://www.sba.gov/idc/groups/public/documents/sba_program_office/8abd_mentor_protege.pdf)

Evidence the person signing the MPA for the Mentor has authority to sign.

Mentor Capability Statement/Statement of Qualifications

Mentor business financial statement, profit and loss and balance sheet (last two years)

Mentor Tax Returns (last two years – with original signatures) (note firm must be showing taxable income both years)

Statement from Mentor that has no other SBA Mentor Protégé Agreements approved.

IRS Form 851 – Affiliations (if applicable, if not so state)

IRS Form 8879-C (if applicable)

IRS Form 4506T– IRS/SBA Request for Tax Transcript – Mentor, signed by president

SBA Form 1623 – Certificate Regarding Debarment, Suspension, etc. – Mentor

SBA Form 1790 – Representatives Used and Compensation Paid for Services in Connection with Obtaining Federal Contracts – Mentor

SBA Form 355 – Application for Small Business Size Determination (Mentor, if Mentor is small)

Note: Above SBA forms can be found at <http://www.sba.gov/library/forms.html>

«FirmName»
Mentor Protégé Agreement
2/12/2009
Page Two

Please note an overlying factor of consideration is that the 8(a) protégé must demonstrate that it is the driving factor in the request. The 8(a) participant must have their name visually pronounced in the application package, request letter, supporting documentation, etc. SBA Headquarters has recently declined an application that gave an appearance the Mentor completed the request and all the paperwork. There is an issue of “control” of an 8(a) firm by a Mentor. In the MPA package and as well as Joint Ventures later the 8(a) must provide evidence of it is not “controlled” by its partner.

Please submit this information to this office. If you have any questions please contact the undersigned at «BDS_PHONE» (telephone), 803 765 5962 (fax), (202) 481-4636 desk top fax and mail:«BOS_EMAIL» john.oneill@sba.gov.

Sincerely,

Mike O'Neill
Program Coordinator
8(a) Business Development Program
Enclosures:

CC:

«Mentor»
Attn: «MentorPrincipal»
«MentorStreet»
«MentorAddress»

Enclosures:

Mentor Protégé Agreement Program Overview:

Introductory information found at www.sba.gov/va, click on 8(a) Business Development Resources and Information

- Mentor Protégé Application Procedures:
http://www.sba.gov/va/VA_VA8ABD.html 1 page
- Mentor Protégé Cover Letter & Template
http://www.sba.gov/va/VA_VA8ABD.html 2 pages
- Description & Benefits – 1 page
- Mentor-Protégé Frequently Asked Questions – 5 pages
- Fact Sheet – 3 pages
- Program Overview – 3 pages

Enclosures:

Excerpts of 13 CFR §124.520 – Mentor/protégé program – 2 pages

Excerpts of 13 CFR § 124.513 – Under what circumstances can a joint venture be awarded an 8(a) contract – 2 pages

“The Agreement” Section – 1 page

Agreement – Mentor Protégé Agreement Template – 3 pages

Mentor-Protégé Agreement Questionnaire, including annual sales information of both firms – 2 pages

Agreement – Protégé questionnaire – 1 page

Agreement – Mentor questionnaire – 2 pages

Agreement – Mentor Protégé Section document – 1 page

**NOTE: MENTOR MUST SHOW PROFITABILITY FOR THE LAST TWO YEARS
... EVIDENCED BY IRS TAX RETURNS ... IF TAX RETURNS DO NOT SHOW
PROFIT, CONTACT MIKE O'NEILL, IMMEDIATELY BEFORE
PROCEEDING...**

MENTOR MUST STATE THAT IT HAS NO OTHER PROTÉGÉ'S.

TITLE 13--BUSINESS CREDIT AND ASSISTANCE

CHAPTER I--SMALL BUSINESS ADMINISTRATION

PART **124**--8(A) BUSINESS DEVELOPMENT/SMALL DISADVANTAGED BUSINESS STATUS DETERMINATIONS

Subpart A--8(a) Business Development

Sec. **124.520** Mentor/protégé program.

(a) General. The mentor/protégé program is designed to encourage approved mentors to provide various forms of assistance to eligible Participants. This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; subcontracts; and/or assistance in performing prime contracts with the Government in the form of joint venture arrangements. The purpose of the mentor/protégé relationship is to enhance the capabilities of the protégé and to improve its ability to successfully compete for contracts.

(b) Mentors. Any concern that demonstrates a commitment and the ability to assist developing 8(a) Participants may act as a mentor and receive benefits as set forth in this section. This includes businesses that have graduated from the 8(a) BD program, firms that are in the transitional stage of program participation, other small businesses, and large businesses.

(1) In order to qualify as a mentor, a concern must demonstrate that it:

- (i) Possesses favorable financial health, including profitability for at least the last two years;
- (ii) Possesses good character;
- (iii) Does not appear on the federal list of debarred or suspended contractors; and
- (iv) Can impart value to a protégé firm due to lessons learned and practical experience gained because of the 8(a) BD program, or through its general knowledge of government contracting.

(2) Generally, a mentor will have no more than one protégé at a time. However, the AA/8(a)BD may authorize a concern to mentor more than one protégé at a time where the concern can demonstrate that the additional mentor/protégé relationship will not adversely affect the development of either protégé firm (e.g., the second firm cannot be a competitor of the first firm).

(3) In order to demonstrate its favorable financial health, a firm seeking to be a mentor must submit its federal tax returns for the last two years to SBA for review.

(4) Once approved, a mentor must annually certify that it continues to possess good character and a favorable financial position.

(c) Protégés. (1) In order to initially qualify as a protégé firm, a Participant must:

- (i) Be in the developmental stage of program participation;
 - (ii) Have never received an 8(a) contract; or
 - (ii) Have a size that is less than half the size standard corresponding to its primary SIC code.
- (2) Only firms that are in good standing in the 8(a) BD program (e.g., firms that do not have termination or suspension proceedings against them, and are up to date with all reporting requirements) may qualify as a protégé.

(3) A protégé firm may have only one mentor at a time.

(d) Benefits. (1) A mentor and protégé may joint venture as a small business for any government procurement, including procurements less than half the size standard corresponding to the assigned SIC code and 8(a) sole source contracts, provided both the mentor and the protégé qualify as small for the procurement and, for purposes of 8(a) sole source requirements, the protégé has not reached the dollar limit set forth in Sec. **124.519**.

(2) Notwithstanding the requirements set forth in Sec(s). **124.105(g)** and (h), in order to raise capital for the protégé firm, the mentor may own an equity interest of up to 40% in the protégé firm.

(3) Notwithstanding the mentor/protégé relationship, a protégé firm may qualify for other assistance as a small business, including SBA financial assistance.

(4) No determination of affiliation or control may be found between a protégé firm and its mentor based on the mentor/protégé agreement or any assistance provided pursuant to the agreement.

(e) Written agreement. (1) The mentor and protégé firms must enter a written agreement setting forth an assessment of the protégé's needs and describing the assistance the mentor commits to provide to address those needs (e.g., management and/or technical assistance, loans and/or equity investments, cooperation on joint venture projects, or subcontracts under prime contracts being performed by the mentor). The agreement must also provide that the mentor will provide such assistance to the protégé firm for at least one year.

(2) The written agreement must be approved by the AA/8(a)BD. The agreement will not be approved if SBA determines that the assistance to be provided is not sufficient to promote any real developmental gains to the protégé, or if SBA determines that the agreement is merely a vehicle to enable a non-8(a) participant to receive 8(a) contracts.

(3) The agreement must provide that either the protégé or the mentor may terminate the agreement with 30 days advance notice to the other party to the mentor/protégé relationship and to SBA.

(4) SBA will review the mentor/protégé relationship annually to determine whether to approve its continuation for another year.

(5) SBA must approve all changes to a mentor/protégé agreement in advance.

(f) Evaluating the mentor/protégé relationship. (1) In its annual business plan update required by Sec. **124.403(a)**, the protégé must report to SBA for the protégé's preceding program year:

- (i) All technical and/or management assistance provided by the mentor to the protégé;
- (ii) All loans to and/or equity investments made by the mentor in the protégé;
- (iii) All subcontracts awarded to the protégé by the mentor, and the value of each subcontract;
- (iv) All federal contracts awarded to the mentor/protégé relationship as a joint venture (designating each as an 8(a), small business set aside, or unrestricted procurement), the value of each contract, and the percentage of the contract performed and the percentage of revenue accruing to each party to the joint venture; and

(v) A narrative describing the success such assistance has had in addressing the developmental needs of the protégé and addressing any problems encountered.

(2) The protégé must annually certify to SBA whether there has been any change in the terms of the agreement.

(3) SBA will review the protégé's report on the mentor/protégé relationship as part of its annual review of the firm's business plan pursuant to Sec. **124.403**. SBA may decide not to approve continuation of the agreement if it finds that the mentor has not provided the assistance set forth in the mentor/protégé agreement or that the assistance has not resulted in any material benefits or developmental gains to the protégé.

End: 13 CFR 124.520 – Mentor Protégé Program.

13 CFR Sec. **124.513** under what circumstances can a **joint venture** be awarded an 8(a) contract?

(a) General. (1) If approved by SBA, a Participant may enter into a joint venture agreement with one or more other small business concerns, whether or not 8(a) Participants, for the purpose of performing a specific 8(a) contract. [[Page 324]]

(2) A joint venture agreement is permissible only where an 8(a) concern lacks the necessary capacity to perform the contract on its own, and the agreement is fair and equitable and will be of substantial benefit to the 8(a) concern. However, where SBA concludes that an 8(a) concern brings very little to the joint venture relationship in terms of resources and expertise other than its 8(a) status, SBA will not approve the joint venture arrangement.

(b) Size of concerns to an 8(a) joint venture. (1) A joint venture of at least one 8(a) Participant and one or more other business concerns may submit an offer as a small business for a competitive 8(a) procurement so long as each concern is small under the size standard corresponding to the NAICS code assigned to the contract, provided:

- (i) The size of at least one 8(a) Participant to the joint venture is less than one half the size standard corresponding to the SIC code assigned to the contract; and
- (ii)(A) For a procurement having a revenue-based size standard, the procurement exceeds half the size standard corresponding to the SIC code assigned to the contract; or
(B) For a procurement having an employee-based size standard, the procurement exceeds \$10 million;

(2) For sole source and competitive 8(a) procurements that do not exceed the dollar levels identified in paragraph (b)(1) of this section, an 8(a) Participant entering into a joint venture agreement with another concern is considered to be affiliated for size purposes with the other concern with respect to performance of the 8(a) contract. The combined annual receipts or employees of the concerns entering into the joint venture must meet the size standard for the SIC code assigned to the 8(a) contract.

(3) Notwithstanding the provisions of paragraphs (b) (1) and (b) (2) of this section, a joint venture between a protégé firm and its approved mentor (see Sec. 124.520) will be deemed small provided the protégé qualifies as small for the size standard corresponding to the SIC code assigned to the procurement and has not reached the dollar limit set forth in Sec. 124.519.

(c) Contents of joint venture agreement. Every joint venture agreement to perform an 8(a) contract, including those between mentors and protégés authorized by Sec. **124.520**, must contain a provision:

- (1) Setting forth the purpose of the joint venture;
- (2) Designating an 8(a) Participant as the managing venturer of the joint venture, and an employee of the managing venturer as the project manager responsible for performance of the 8(a) contract;
- (3) Stating that not less than 51 percent of the net profits earned by the joint venture will be distributed to the 8(a) Participant(s);

- (4) Providing for the establishment and administration of a special bank account in the name of the joint venture. This account must require the signature of all parties to the joint venture or designees for withdrawal purposes. All payments due the joint venture for performance on an 8(a) contract will be deposited in the special account; all expenses incurred under the contract will be paid from the account as well;
 - (5) Itemizing all major equipment, facilities, and other resources to be furnished by each party to the joint venture, with a detailed schedule of cost or value of each;
 - (6) Specifying the responsibilities of the parties with regard to contract performance, source of labor and negotiation of the 8(a) contract;
 - (7) Obligating all parties to the joint venture to ensure performance of the 8(a) contract and to complete performance despite the withdrawal of any member;
 - (8) Designating that accounting and other administrative records relating to the joint venture be kept in the office of the managing venturer, unless approval to keep them elsewhere is granted by the District Director or his/her designee upon written request;
 - (9) Requiring the final original records be retained by the managing venturer upon completion of the 8(a) contract performed by the joint venture; [[Page 325]]
 - (10) Stating that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) must be submitted to SBA not later than 45 days after each operating quarter of the joint venture; and
 - (11) Stating that a project-end profit and loss statement, including a statement of final profit distribution, must be submitted to SBA no later than 90 days after completion of the contract.
- (d) Performance of work. For any 8(a) contract, including those between mentors and protégés authorized by Sec. **124.520**, the joint venture must perform the applicable percentage of work required by Sec. **124.510**, and the 8(a) partner(s) to the joint venture must perform a significant portion of the contract.
- (e) Prior approval by SBA. SBA must approve a joint venture agreement prior to the award of an 8(a) contract on behalf of the joint venture.
- (f) Contract execution. Where SBA has approved a joint venture, the procuring activity will execute an 8(a) contract in the name of the joint venture entity.
- (g) Amendments to joint venture agreement. All amendments to the joint venture agreement must be approved by SBA.
- (h) Inspection of records. SBA may inspect the records of the joint venture without notice at any time deemed necessary.

End Sec. **124.513** under what circumstances can a **joint venture** be awarded an 8(a) contract?

**YOU MUST COMPLETE THIS SECTION AND SUBMIT TO SBA ...
contact Mike O'Neill for a Word template ...**

SUBJECT: Mentor Protégé Agreement Approval Request

Mentor Protégé Agreement Between:
--

8(a) Firm: (Protégé)	«FirmName»
8(a) Firm Case No.	
Mentor Firm:	«Mentor»
Agreement Dated:	«MPADate»

Mentor Protégé Program Reference

Requirements of 13 CFR 124.520

Requirements for Protégé, a participant must:
(fill in the info)

Be in the development stage of the program (Date the 8(a) firm begins transition), or:	
Have a size that is less than half of the size standard corresponding to its Primary SIC code:	
NAICS Code: «NAICSCode» – Size Standard («NAICSCode» «NACISName») =	\$
One half the Size Standard of \$ «NAICSCode» M =	\$
Be in good standing in the 8(a) Program, i.e., be up to date with all reporting requirements:	
Have only one mentor at a time, therefore no other mentor:	

Requirements for Mentor, a mentor firm must demonstrate that it:

(i) Possesses favorable financial health, including profitability for two years;	
(ii) Possesses good character (see attached Dun and Brad report)	
(iii) Does not appear on the federal list of debarred suspended contractors, and;	
(iv) Can impart value to a protégé firm due to lessons learned and practical experience gained because of the 8(a) BD Program, or through its general knowledge of contracting. (Yes or No) Comments: (Describe on separate sheet of paper).	
Has no more than one protégé a time	
Understand that it must annual certify that it continues to poses character and maintain a favorable financial condition.	

Contents of Agreement must contain:

Dated:	Must be in writing and dated. Proposed dated:
Section # Page #	Contain a statement setting forth an assessment of the protégé's needs and describing the assistance the mentor commits to provide to address those needs
Section # Page #	Provide that mentor will provide such assistance to the protégé for at least One year
Section # Page #	Provide that either the protégé or the mentor may terminate the agreement with 30 days advance notice to the other party and to the SBA and that SBA will receive a copy of all notices.
Section # Page #	State that the agreement will be reviewed annually by SBA who will determine it continue for another year
Section # Page #	Provide that all changes to the mentor-protégé agreement by approved by the SBA in advance

The Mentor Protégé Agreement request must include the following information:

8(a) Protégé Firm: «FirmName»

Annual Sales Current Year	\$
Annual Sales Preceding Year	\$
Annual Sales Preceding Year	\$
Total Annual Sales	\$
3 Year Average Annual Sales	\$

Mentor Firm: «Mentor»

IRS Tax Returns (showing profits): (Firms not showing profits cannot be approved Mentors)

Annual Sales Current Year	\$
Annual Sales Preceding Year	\$
Annual Sales Preceding Year	\$
3 Year Average Annual Sales	\$

FOR THE PROTÉGÉ:

WHERE IN YOUR BUSINESSS PLAN DOES IT SHOW THE FOLLOWING FOR EACH ITEM OF ASSISTANCE THE MENTOR WILL PROVIDE:

Meets objectives of business plan (SBA Form 1010C)
paragraphs:

(i) Ex. Item 1 - Need 1

Management & Technical Assistance

Meets objectives of business plan (SBA Form 1010C)
paragraphs: **WHERE IS THIS LOCATED IN YOUR CURRENT
OR REVISED BUSINESS PLAN?**

(ii) Need 2

Financial Assistance

Meets objectives of business plan (SBA Form 1010C)
paragraphs: **WHERE IS THIS LOCATED IN YOUR CURRENT
OR REVISED BUSINESS PLAN?**

(iii) Need 3

Business Development Assistance

Meets objectives of business plan (SBA Form 1010C)
paragraphs: **WHERE IS BUSINESS PLAN?**

If you do not have this information in your Business Plan, you must submit a revised or amended Business Plan containing this documentation.

The Mentor's financial statements for the last two years have been evaluated. The statements are X certified¹ by a certified public accountant. Mentor has submitted financial statements for the years ending 2006 and 2007. Its financial condition is as follows:

COMPLETE THE INFORMATION/CALCULATIONS BELOW

¹ Compiled financial statements, also referred to as unaudited statements, are not audited adequately and no opinion on the quality of the financial statements is given. Financial statements that are certified are the ones that can be trusted to be the most accurate. These financial statements are reviewed and audited by a certified public accountant. When financial statements have been certified they have been reviewed to ensure the information is correct, true and reliable. Overall, certified financial statements can provide you with additional and more accurate information, in the form of notes, than compiled financial statements.

Financials: (email «BDS_NAME» @ «BOS_EMAIL» to obtain an Excel worksheet to complete this form (the sheet does the calculations)

Parties of MPA:

Name of Mentor:

Financials:					
	Years:	2007		2006	
	Revenues:				
	Net Income:				
	Current Assets:				
	Total Assets:				
	Total Equity:				
	Current Liabilities:				
	Total Liabilities				
(2) Ration Analysis			:1		:1
Current Ratio: 5	<u>Current Assets</u>	\$0		\$0	
	Current Liabilities	\$0		\$0	
	Liquidity (\$s)	\$0		\$0	
	Ratio =	#DIV/0!	:1	#DIV/0!	:1
Debt to Equity: 6	<u>Total Liabilities</u>	0		0	
	Total Equity	0		0	
	(\$s)	\$0		\$0	
	Ratio =	#DIV/0!	:1	#DIV/0!	:1
Return on Assets: 7	<u>Net Income</u>	\$0		\$0	
	Avg Total Assets	\$0		\$0	
	=	#DIV/0!	%	#DIV/0!	%
Return on Equity: 8	Net Income	\$0		\$0	
	Owners Equity	\$0		\$0	
	=	#DIV/0!	%	#DIV/0!	%
Return on Sales: 9	<u>Net Income</u>	\$0		\$0	
	Net Sales	\$0		\$0	
	=	#DIV/0!	%	#DIV/0!	%
Net Sales	Net Income	\$0		\$0	
	Net Sales	\$0		\$0	
	=	#DIV/0!	%	#DIV/0!	%

- n. A [|] business credit report ___ Dun & Bradstreet report on the potential Mentor has been reviewed and is enclosed. State findings: XXX

Rating: _____

- o. A copy of the Mentor's XXX Central Contractor Registration[|] Dynamic Small Business Profile has been reviewed and is included in the file.

The “Agreement”

- I. Consists of three parts
 - a) Statement of purpose (why is the agreement being formed?)
 - b) Declaration of eligibility for the Mentor Protégé Program and self assessment by 8(a) Participant of what type(s) of assistance it needs from the Mentor
 - c) Declaration of eligibility by the Mentor for the Mentor Protégé Program and assessment of what it feels the 8(a) participant needs
 - d) Conditions of specific assistance, i.e., joint venturing, financing, management, etc.
- II. Key to approval is to keep the agreement simple and address only the needs of the 8(a) participant. Under each type of assistance a detailed narrative of exactly what the mentor will do, i.e., marketing, identifying specific requirements, assisting in bid proposal preparation, assistance in negotiations, technical expertise, and performance. A minimum of a paragraph is suggested.

Also key is to choose a limited number of types of assistance. Expand on what assistance will be provided

MENTOR-PROTÉGÉ PROGRAM (MPA) ELIGIBILITY CHECKLIST

Protégé Section - «FirmName»

The agreement must state that in accordance with the Code of Federal Regulations 13 CFR 124.520, Mentor/Protégé program, the following requirements have been met and «FirmName» (8(a) Firm) is eligible to participate in the SBA Mentor-Protégé Program (MPA) as a protégé.

Requirements and Statements

«FirmName»

1. Is an 8(a) Participant in the Developmental Stage of the program or;
2. Has never received an 8(a) contract, OR is half the size standard corresponding to its primary SIC Code, or;
3. Has three year average sales which are less than half of the firm's primary NAICS «NAICSCode» with a size standard of \$«NACISNane» million. (Note: only one of 1, 2 or 3 has to be met).
4. Be an 8(a) Participant in good standing in the 8(a) BD program.
5. Will benefit from a Mentor-Protégé (MP) alliance with the Mentor in one or more of the following areas: (Check)

TYPE OF ASSISTANCE		Yes	No
Financial			
	Equity Investments		
	Loans		
	Joint Ventures		
	Bonding		
Accounting			
Management			
Technical			
Subcontracting			
Marketing			
Business Planning			
Manufacturing			
Technology Transfer			
Human Resources			

(Caution: Pick only a few items, as your agreement must provide detailed narrative descriptions of each type of assistance – see “Mentor” section below)

6. State the 8(a) Participant understands the SBA program regulations, requirements, and operating procedures.
7. State a specific Mentor is requested.

(End – Protégé Section)

Mentor Section - «Mentor»

The agreement must state the following requirements have been met in accordance with the Code of Federal Regulations 13 CFR 124.520, Mentor/Protégé program, and «Mentor» is eligible to participate in the SBA Mentor-Protégé Program (MPA) as a mentor.

Requirements

«Mentor»

1. The Mentor must state:

a) one of the following:

	Yes	No
An 8(a) Participant in the Transitional Stage of the program.		
An 8(a) Participant that has graduated from the program.		
A small or small disadvantaged business.		
A Large business.		

2. it has submitted tax returns, and where necessary, other supporting financial documentation, to prove profitability over the past two years.

3. it possesses good character.

4. it has not been debarred or suspended from contracting with the Federal government.

5. it can impart value to a protégé firm due to lessons learned and practical experience gained because of the 8(a) program, or through its general knowledge of government contracting; and will provide support to the Protégé in one or more of the following areas:

TYPE OF ASSISTANCE		Yes	No
Financial			
	Equity Investments		
	Loans		
	Joint Ventures		
	Bonding		
Accounting			
Management			
Technical			
Subcontracting			
Marketing			
Business Planning			
Manufacturing			
Technology Transfer			
Human Resources			

NOTE: Submit detailed narrative descriptions (on separate pages) as to the assistance will be provided for each area of assistance, e.g.: *(suggested sample language below)*

Joint Ventures – Mentor and Protégé have a pending requirement o if, applicable _____ wherein both firms intend to form a joint venture and respond to the request for proposal. The estimated deadline for bid submission is _____. The firms intend to form additional JV's from time to time and bid specific projects as opportunities arise.

Bonding – Mentor will introduce Protégé to Mentor's bonding company and assist in setting a new or expanded bond line. If necessary, and with approval of bonding company, Mentor will indemnify bonding for selected projects up to a pre-determined amount wherein Mentor will either act as sub-contractor or joint venture partner with Protégé.

Management – Mentor will provide certain expertise such as on site project management, in house training, and tutoring as needed in order for the protégé to develop management skills.

Accounting – Mentor will assist protégé in the development of specific accounting capability. Mentor will initially allow protégé the use of Mentor's existing account hardware system and training for use in it.

6. it understands the SBA program regulations, requirements, and operating procedures.

7. it requests a specific Protégé, «FirmName»

7. it firm is not requesting more than one (1) protégé, and should another firm be considered it understands the firm could not be in the same discipline as the protégé under this proposed agreement.

(End – Mentor Section)

MENTOR-PROTÉGÉ PROGRAM (MPA) ELIGIBILITY CHECKLIST

Mentor Protégé Agreement Section Document

In order for the Mentor-Protégé Agreement to be complete and valid, the following requirements must be met:

Requirements

The agreement must:

1. be in writing and be signed.
2. contain a Protégé Assessment
3. adequately describe the assistance it commits to provide to address the protégé's needs.
4. state the Protégé and the Mentor understand that SBA must approve all modifications to the agreement prior to becoming effective.
5. include a provision that either the protégé or the mentor may terminate the agreement with 30 days advance notice to the other party and to the SBA and that SBA will receive a copy of all notices.
6. provide that the mentor will provide assistance to the protégé firm for at least one year.
7. provide a statement that the Mentor has no other Protégé's, if applicable. If so, Mentor must provide details to SBA.

Request for SBA approval must include:

Cover Letter to SBA requesting approval of the Mentor Protégé Agreement

Mentor/Protégé Agreement document

Mentor Protégé Eligibility Checklist for the Protégé, the Mentor and the Agreement

Mentor Tax Returns (last two years)

Mentor Capability Statement – describing the business, primary NAICS and products/services

Remember: The **agreement** must be in a narrative form. It must address the following main points:

- I. A statement of purpose.
- II. A narrative assessment of what type of assistance the 8(a) contractor needs – correspond with the checklist above
- III. Each type of assistance must be addressed in detail as to specifically what the Mentor will provide (very important, not just boxes checked).

(End – Agreement - Section)

MENTOR/PROTÉGÉ AGREEMENT TEMPLATE

Mentor/Protégé Agreement

Between

(«FirmName»)

And

(«Mentor»)

This Mentor/Protégé Agreement (“Agreement”) is between (Protégé’s name) (“Protégé”), a (State) corporation with its principal place of business at (Address), and (Mentor’s name) (“Mentor”), a (State) corporation with its principal place of business at (Address) (collectively referred to as the “Parties”).

WHEREAS, the parties wish to formalize the proposed Mentor/Protégé relationship between Mentor and Protégé under the Small Business Administration’s (“SBA”) Mentor/Protégé Program established pursuant to 13-CFR-124.520; and

WHEREAS, the Parties agree that establishing a Mentor/Protégé relationship can enhance the capabilities of the Protégé and improve its ability to successfully complete for contracts consistent with the SBA’s Mentor/Protégé Program; and

WHEREAS, the Protégé can greatly benefit from the assistance that the Mentor proposes to offer, and the Mentor is well-qualified to provide the assistance within the context of the SBA Mentor/Protégé Program; and

WHEREAS, the Parties wish to carry out goals of this Agreement for the duration of the Protégé’s participation term in the SBA’s 8(a) program.

WHEREAS, the Mentor is not currently a SBA approved Mentor for any other 8(a) participant Protégé, except as stated herein.

THEREFORE, consistent with these goals and the requirement of the SBA Mentor/Protégé Program, the Parties agree to the following:

1. Mentor has no other SBA Mentor Protégé Agreements in place.
2. Assessment of the Protégé’s Needs. As an 8(a) company seeking to develop a business base and an infrastructure to successfully participate and graduate from the 8(a) program as a viable company, the Protégé requires assistance in the following areas(discuss those that apply):

(A) Management and technical assistance –

- (B) Financial assistance –
 - (C) Business development assistance –
 - (D) General assistance –
3. Assistance to Protégé. Mentor agrees to provide Protégé with following assistance *(discuss those that apply)*:
- (A) Management and technical assistance –
 - (B) Financial assistance –
 - (C) Business development assistance –
 - (D) If Joint Venture's are listed – the agreement must include a statement "Joint Ventures shall be approved in advance by SBA approval pursuant to and complying with all provisions on 13 CFR 124.513"
 - (E) General assistance –
4. Preparation of Mentor/Protégé Reports. The Mentor shall use its reasonable and best efforts to assist the Protégé in the preparation of the annual mentor/protégé report required by the SBA, and shall provide all necessary documentation as required by the SBA.
5. Effective Date. This Agreement is effective upon approval by the SBA for a period of at least one year, with continued participation, provided the SBA approves the relationship continuance consistent with 13 C.F.R. 124.520(e)(4) and (f)(3) respectively.
6. Termination of the Agreement. This Agreement may be terminated as follows:
- (A) Voluntary Termination by the Mentor. Pursuant to 13-CFR-124.520(e)(3), the Mentor may voluntarily terminate this agreement if the Mentor no longer wishes to participate in the Program as a Mentor to a Protégé. The Mentor shall notify the Protégé and the SBA in writing at least thirty (30) days prior to the termination date.
 - (B) Voluntary Termination by the Protégé. Pursuant to 13-CFR-124.520(e)(3), the Protégé may voluntarily terminate this agreement if the Protégé no longer wishes to participate in the Program as a Protégé to a Mentor. The Protégé shall notify the Mentor and the SBA in writing at least thirty (30) days prior to the termination date.
 - (C) Termination by the SBA. Pursuant to the governing regulations, the SBA may terminate the Agreement based upon its annual review of the Mentor/Protégé relationship, as provided in 13-CFR-124.520(f)(3).
7. Effect of Termination. This Agreement is effective upon approval by the SBA for a period of at least one year, with continued participation, provided the SBA approves the relationship continuance consistent with 13 C.F.R. 124.520(e)(4) and (f)(3) respectively.

8. Modifications. SBA must approve all change to the Agreement in advance.
9. Notices and Points of Contact for the SBA Program Administration. The following individuals shall serve as the points of contact for administration of the development assistance program and are authorized to receive all notices under this Agreement.

(Point of contact information for both parties)

10. Status of the Parties. This Agreement, in and of itself, does not constitute, create or give effect to or otherwise establish a joint venture, partnership or any other business or organization. Unless provided by the terms of another agreement consistent with the governing regulations, the Parties are and shall remain independent contractors.
11. Integrated Document. This Agreement supersedes any and all previous understanding, commitments, or agreements, oral or written, pertaining to the SBA Mentor/Protégé Agreement.
12. Other provisions not previously discussed (if applicable).

Subject to the SBA's approval, this Agreement is entered into and effective as of the date of such approval, this (Date) day of (Month), 20##, and executed by officials duly authorized to bind their corporations.

(Signatories information, signatures and dates signed)